

STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

April 12, 1982

Mr. Jackson W. Moffitt
District Mining Supervisor
Minerals Management Service
Office of the District Mining Supervisor
2040 Administration Building
1745 West 1700 South
Salt Lake City, Utah 84104

Attn: Allen Vance

RE: American Gilsonite Company
Bonanza Operation
Federal Lease U-0126940
ACT/047/010
Uintah County, Utah

Dear Mr. Moffitt:

This letter is to confirm, in writing, the Division's position relative to the above referenced operation.

As previously discussed via telephone, this operation does not currently have final Division approval subsequent to American Gilsonite's filing a mining and reclamation plan with the State in May, 1977. With passage of the Utah Mined Land Reclamation Act in 1975 the Division was given some latitude in the time frames for reviewing and approving the multitude of mining and reclamation plans submitted for all existing operations. Due to various reasons and unforeseen circumstances, the submittal for American Gilsonite, among others, has not been finalized to date. The recent action involving Federal Lease U-0126940 has encouraged the Division to complete the review for this particular operation as soon as possible.

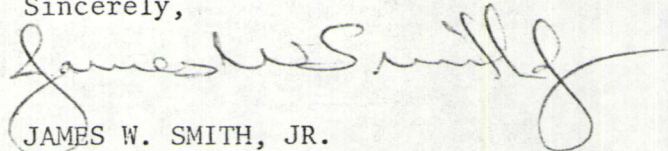
However, since this mining activity has been on-going for some time without a significant change in production methods or impacts to the existing environment, the Division sees no reason to further impede development of this resource until such time as we can conclude the State review process and issue final approval under the Utah Mined Land Reclamation Act. As

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long as American Gilsonite has met Mineral Management Services requirements and is actively addressing the Division's current request for additional information, the Division concurs with your decision to issue approval to American Gilsonite for Federal Lease U-0126940.

Thank you for your cooperation and keeping us informed of this activity. If you have any questions regarding the Division's review status for this mining and reclamation plan, please contact Tom Tetting or myself.

Sincerely,

A handwritten signature in dark ink, appearing to read "James W. Smith, Jr.", with a large, stylized flourish at the end.

JAMES W. SMITH, JR.
COORDINATOR OF MINED LAND DEVELOPMENT

JWS/te

cc: Tom C. Mosely, A.G.C.
Richard Carlbert, A.G.C.